

**CONSENT ORDER**

Issued and Entered  
On June 2, 2006,  
By Richard D. Lavolette,  
Chief Deputy Commissioner

Based upon the Stipulation to Entry of Consent Order and the files and records of the Office of Financial and Insurance Services ("OFIS") in this matter, the Commissioner FINDS and CONCLUDES that:

1. The Commissioner has jurisdiction and authority to adopt and issue this Consent Order in this proceeding, pursuant to the Michigan Administrative Procedures Act of 1969 ("MAPA"), as amended, MCL 24.201 *et seq.*; the Mortgage Brokers, Lenders, and Servicers Licensing Act ("MBLSLA"), 1987 PA 173, as amended, MCL 445.1651 *et seq.*; and the Secondary Mortgage Loan Act ("SMLA"), 1981 PA 125, as amended, MCL 493.51 *et seq.*
2. All required notices have been issued in this case, and the notices and service thereof were appropriate and lawful in all respects.
3. Acceptance of the parties' Stipulation to Entry of Consent Order is reasonable and in the public interest.
4. All applicable provisions of MAPA have been met.
5. JTD Financial LTD. dba Freedom Financial Mortgage Co. ("Respondent") violated MCL 445.1672(a), (i), and (j) and MCL 493.56a(8).

NOW THEREFORE, based upon the parties' Stipulation to Entry of Consent Order and the facts surrounding this case, IT IS ORDERED THAT:

1. The Stipulation to Entry of Consent Order submitted by the parties to the Chief Deputy Commissioner is hereby ACCEPTED.
2. Respondent shall CEASE AND DESIST from violating MCL 445.1672(a), (i), and (j) and MCL 493.56a(8).
3. Respondent shall make all filings with OFIS that are required to be filed on or before

a certain date, including, but not limited to, annual reports, financial statements, and applications for renewal of license or registration, in a manner, such as via overnight mail or certified mail, which affords Respondent with proof of a specific delivery date.

4. Respondent shall make all such filings referred to in paragraph 3 by the date required.

5. Respondent shall pay, within a reasonable time, but no later than the date due, those expenses assessed by OFIS pursuant to the MBLSLA and SMLA.

6. Respondent shall pay to the OFIS, a civil fine in the amount of \$4,000.00. The first \$2,000.00 of the civil fine shall be paid on or before 30 days from the date of entry of this Order. The remaining \$2,000.00 of the civil fine shall be paid in two equal monthly installments as follows:

a. On or before 60 days from the date of entry of this Order, Respondent shall pay the first monthly installment of \$1,000.

b. On or before 90 days from the date entry of this Order, Respondent shall pay the final monthly installment of \$1,000.00.

7. Respondent shall maintain a program to monitor and assure compliance with all state and federal laws and regulations pertaining to brokering, origination, closing, and servicing of mortgage loans. Respondent shall educate its officers and employees involving the brokering, origination, and closing of mortgage loans on all applicable state and federal laws and regulations, including, but not limited to, the MBLSLA, SMLA, Federal Real Estate Settlement Procedures Act, National Housing Act, Federal Truth in Lending Act, Equal Credit Opportunity Act, Fair Credit Reporting Act, Anti-Redlining Act, and applicable usury laws. The education shall be accomplished by requiring the officers and employees involved in the brokering, origination, closing, and servicing of mortgage loans to attend training seminars for the next 12 months at least four hours in duration every quarter. The training seminars shall be conducted by persons not employed by Respondent and with recognized experience in the mortgage industry. The instructors for the training seminars shall be varied in order to give the officers and employees a broad view of the regulation and operation of the mortgage industry. The training seminars shall include the philosophy behind the laws and regulations as well as the

requirements of the laws and regulations. The training seminars may be organized by either Respondent or a local or national organization such as the Michigan Mortgage Lenders Association, the Mortgage Bankers Association of America, the Michigan Mortgage Brokers Association, or the National Association of Mortgage Brokers. The training seminars may be presented in person or through electronic means, such as the internet, video tapes, DVDs, or CD-ROMS. Respondent shall keep a record of the attendance of the officers and employees at the training seminars.

The program shall include designation of a compliance officer who will conduct reviews, not less than quarterly, of a sample of files for closed loans and rejected loan applications and assure compliance with all relevant federal and state laws. Respondent shall maintain written reports of the results of its file reviews. The written reports shall be maintained as required by Section 21(2) of the MBLSLA. Within 30 days of the date of this order Respondent must inform OFIS of the individual designated as compliance officer and if there is any change in the compliance officer, such change shall be reported in writing to OFIS within 30 days of the change.

8. In all respects, the Consent Order issued and entered on January 31, 2005 in Enforcement Case No. 04-2807 shall remain in full force and effect. Respondent shall fully comply with each and every provision of the Consent Order issued pursuant to Enforcement Case No. 04-2807.

9. The Commissioner specifically retains jurisdiction over the matters contained herein and has the authority to issue such further order(s) as she shall deem just, necessary and appropriate in accordance with the provisions of the MBLSLA and SMLA. Failure to abide by the terms and conditions of the Stipulation to Entry of Consent Order and this Order, may result in the commencement of additional proceedings.

IT IS SO ORDERED.

  
Richard D. Lavolette  
Chief Deputy Commissioner